INCOMING TELEGRAM Department of State

CONFIDENTIAL 06697

43 Action COM Info SS SP SC L H EUR EA P ISA NSC INR CIA NSA DOD AID E FRB TRSY XMB RSR

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January 3/19/82 RET

ROOM 5417 STATE

PA or FOI EXEMPTIONS

REF: CA-5211 TEXAS INSTRUMENTS

1. IN RESPONSE DELIVERY SECRETARY CONNOR LETTER BY MINISTER VASS NOV 7, MINISTER MIKI SAID A) GOJ DOES NOT REGARD OFFER TO TI AS VIOLATING FCN TREATY; B) PROTOCOL FCN TREATY PERMITS RESTRICTIONS ON FOREIGN INVESTMENT FOR SHORT AND LONG RANGE BALANCE PAYMENT CONSIDERATIONS; C) GOJ PREPARED DEFEND THIS POSITION AND MITI OFFICIALS PREPARED DISCUSS WHENEVER EMBASSY DESIRES; D) GOJ SAID FCN TREATY MEANS NO CHANGE CURRENT POLICY OF STEP-BY-STEP LIBERALIZATION; E) SECRETARY CONNOR LETTER WILL NOT BE RELEASED TO PRESS UNTIL REPLY RECEIVED FROM TI, AT WHICH TIME EMBASSY WILL BE CONSULTED BUT PUBLICATION LIKELY THEN BECOME NECESSARY BECAUSE VERY GREAT PUBLIC INTEREST THIS CASE.

2. MINISTER VASS IN REPLY SAID HE BELIEVED EXCHANGE OF LETTERS HAD BROUGHT BENEFICIAL CLARIFICATION RESPECTIVE VIEWS FCN TREATY PROVISIONS. HE ALSO NOTED MINISTER'S REFERENCE CONTINUED PROGRESS TOWARD CAPITAL LIBERALIZATION, AND SAID THIS IN SPIRIT KYOTO DISCUSSIONS WHICH HAD STRESSED IMPROVED PROSPECTS FOR FUTURE AND PROMISE OF GOJ ACCOUNTING FOR STEPS TAKEN AT 1967 JOINT ECONOMIC COMMITTEE MEETING.

3. NOV 4 MINISTER VASS GAVE YAMAZAKI, CHIEF INTERNATIONAL TRADE BUREAU, MITI, COPY SECRETARY CONNOR LETTER AND DISCUSSED INFORMALLY CONTENT AS WELL AS TIMING OF DELIVERY TO MINISTER MIKI. YAMAZAKI GAVE REACTION OF MILD SHOCK; ASKED HALF SERIOUSLY IF EMBASSY HAD DRAFTED LETTER; IMPLIED MINISTER WOULD NOT BE PLEASED WITH CONTENT. MINISTER VASS POINTED OUT LETTER REFERRED BOTH TO U.S. TREATY RIGHTS AND TO DESIRE FOR EVIDENCE PROGRESSIVE LIBERALIZATION.

4. AMBASSADOR WILL MAKE FIRST CALL ON MINISTER MIKI NOV 11. INVESTMENT ISSUE WILL BE RAISED AS APPROPRIATE.
5. EMBASSY DOES NOT PLAN INITIATE DISCUSSIONS TREATY INTERPRETATION INVITED BY MINISTER MIKI UNTIL INSTRUCTIONS RECEIVED. SUBJECT LIKELY REMAIN QUIET UNTIL TI REPLY RECEIVED.

6. EMBASSY COMMENTS WILL FOLLOW. JOHNSON
BT

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INCOMING TELEGRAM *Department of State*

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CORRECTION (LIMITED OFFICIAL USE)

Control: 6697
Rec'd: November 8, 1966
5:42 a.m.

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FROM: Tokyo

ACTION: SecState

DATE: November 8

TOKYO 3455

The Classification of this incoming telegram originally processed as CONFIDENTIAL should be corrected to read LIMITED OFFICIAL USE.

Subject: Secretary Connor Correspondence Regarding Texas Instruments

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